



Agenda Item 2

Strategies for Increasing Access to Early Stage Capital



BOARD OF REGENTS

SUMMARY OF ITEM FOR ACTION
INFORMATION OR DISCUSSION

TOPIC: Strategies for Increasing Access to Early Stage (information item)

COMMITTEE: Economic Development and Technology Commercialization

DATE OF COMMITTEE MEETING: September 12, 2013

SUMMARY: The Committee will be updated on strategies being considered at UM Ventures to increase access to seed or early stage capital for USM-facilitated start-ups. This type of funding is critical to cover negative cash flow in the early stages of new business creation.

ALTERNATIVE(S): This item is for information purposes.

FISCAL IMPACT: This item is for information purposes.

CHANCELLOR'S RECOMMENDATION: This item is for information purposes.

COMMITTEE RECOMMENDATION:

DATE:

BOARD ACTION:

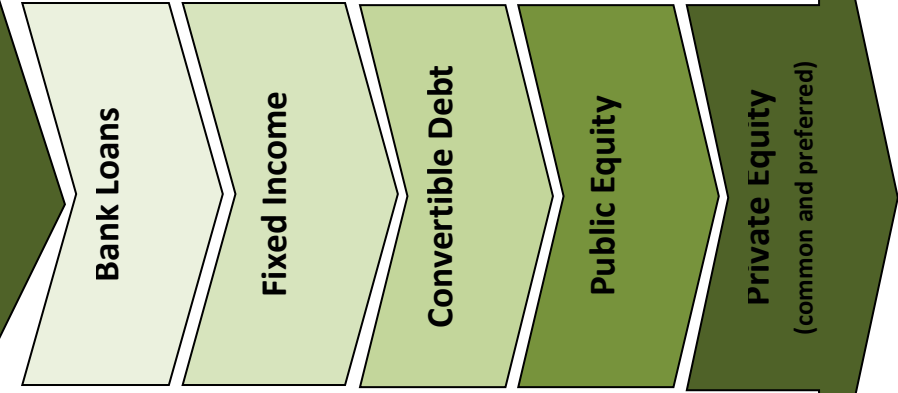
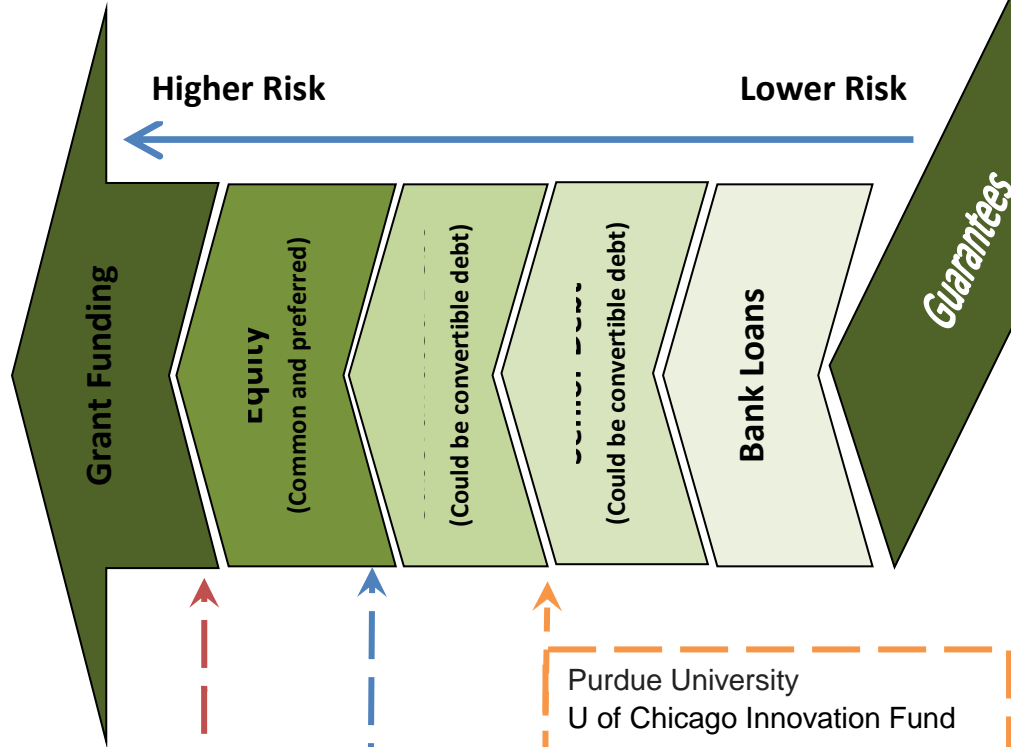
DATE:

SUBMITTED BY: Joseph F. Vivona (301) 445-2783



Below-Market Investments

Higher Risk ← Lower Risk



Market-rate Investments

- MTech's Impact Seed Fund
- Himan CEOs Alumni Fund
- Dingman Center's Smith E-Fund
- Maryland Innovation Initiative

- UT Horizon Fund
- NYU Innovation Fund
- University of Illinois -Chancellor's Innovation Fund
- Colorado State University
- Ohio State University
- Invest Maryland

- Purdue University
- U of Chicago Innovation Fund

- Illinois Ventures
- Osage Partners
- University of Minnesota

UM Ventures Seed Equity Program and Other Investment Funds
Considerations for Investments in New Maryland Businesses That License University
Intellectual Property

1. In order better to protect and administer University intellectual property and to enhance its commercialization, an institution may adopt a program to invest in new Maryland businesses being set up to license and commercialize intellectual property owned in whole or in part by that institution. Investments will be used to acquire equity in the businesses.
2. Program investments shall be made in accordance with guidelines approved by the President or designee. The fund source for investments must be resources for economic development activities provided to an institution through the State and USM or other resources approved by the President and Chancellor. Investment income under the program shall not be considered as revenue from licenses of intellectual property.
3. An annual report on the guidelines, investments, progress of technology commercialization by supported Maryland businesses, income from investments, and use of that income shall be provided by each President to the Chancellor. The Chancellor shall report that information to the Board of Regents at least annually.